

## Message Text

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PAGE 01 STATE 140736  
ORIGIN EB-02

INFO OCT-01 ARA-01 ISO-00 EUR-01 /005 R

66011

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EUR/RPE:PMCCCLAIN

-----170647Z 108421 /13

P 170107Z JUN 77

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

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FOLLOWING REPEAT BRUSSELS 6143 ACTION SECSTATE INFO ALL EC  
CAPITALS PARIS GENEVA SAO PAULO RIO DE JANEIRO JUN 15, 1977

QTE LIMITED OFFICIAL USE BRUSSELS 06143

USEEC

PASS AGRICULTURE ELECTRONICALLY

GENEVA ALSO FOR USMTN

PARIS ALSO FOR USOECD

E.O. 11652: N/A

TAGS: EAGR, BR, EEC

SUBJ: BRAZILIAN/EEC NEGOTIATIONS ON COUNTERVAILING

DUTIES ON SOYBEANS

REF: BRASILIA 4811

1. MISSION OFFICERS DISCUSSED PRESENT STATE OF EC  
COUNTERVAILING DUTY INVESTIGATION ON BRAZILIAN SOYBEANS  
ON JUNE 14 WITH EC OFFICIAL IN CHARGE OF INVESTIGATION  
AND A REPRESENTATIVE OF FEDIOL (EC OILSEED CRUSHERS  
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PAGE 02 STATE 140736

FEDERATION). OUR IMPRESSION IS THAT EC OBJECTIVES ARE  
MORE LIMITED THAN THOSE MENTIONED IN REFTEL AND THAT  
EC DOES NOT SEE THE CASE AS EXTENDING BEYOND SOYBEANS  
TO OTHER LDC PROCESSED PRODUCTS. ACCORDING TO OUR  
SOURCES, EC PRIMARY OBJECTIVE IS TO OBTAIN FROM BRAZILIANS  
AN AGREEMENT ON THE PROGRESSIVE REDUCTION OF THE TAX  
DIFFERENTIAL CURRENTLY PERTAINING BETWEEN BEANS AND MEAL



(SIMILAR TO THE AGREEMENT ALREADY OBTAINED BY THE U.S. ON SOYBEAN OIL). THE FEDIOL REPRESENTATIVE VIEWS IMPOSITION OF COUNTERVAILING DUTIES AS A LAST RESORT AND, IN VIEW OF THE CURRENT MARKET SITUATION, HE FELT THERE WAS NO CHANCE THEY WOULD BE APPLIED THIS SUMMER.

2. COMMISSION SOURCE STATED THAT EC SIDE HAD DONE ALMOST ALL THE TALKING IN THE FIRST NEGOTIATING SESSION WITH THE BRAZILIANS. BRAZILIAN MISSION HERE SAYS THEIR SIDE HAD ASSERTED THAT THERE HAD BEEN NO DAMAGE TO EC INDUSTRY, POINTING TO THE CONTINUED EXPANSION OF EC CRUSHING CAPACITY. THEY ALSO ALLUDED TO THEIR SPECIAL STATUS AS A DEVELOPING COUNTRY. NEXT MEETINGS SCHEDULED LATER THIS MONTH.

3. THE FEDIOL REPRESENTATIVE SAID THAT THE EC INDUSTRY CLAIM THAT DAMAGE TO DOMESTIC INDUSTRY HAD BEEN CAUSED BY BRAZILIAN PRACTICES. HE WAS HOPEFUL THAT THE COMMISSION WOULD BE ABLE TO PERSUADE BRAZIL TO MODIFY THESE PRACTICES. HE SAID THAT BRAZIL HAD INCREASED THE TAX ON SOYBEAN MEAL EXPORTS FROM 5 TO 7.5 PERCENT IN APRIL AND FELT THAT THIS ACTION HAD BEEN INFLUENCED BY THE EC COMPLAINT. HINTON UNQTE CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NEGOTIATIONS, COUNTERVAILING DUTIES, SOYBEANS  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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